



# AZ529

ARIZONA'S EDUCATION SAVINGS PLAN

TREASURER KIMBERLY YEE

# 2022 ANNUAL REPORT

January 1, 2022 - December 31, 2022





**AZ529**  
ARIZONA'S EDUCATION SAVINGS PLAN  
TREASURER KIMBERLY YEE

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March 1, 2023

Dear Governor Hobbs, President Petersen and Speaker Toma,

On behalf of the Arizona State Treasurer's Office (ASTO) and the Arizona State Board of Investment (BOI), it is my honor to submit the 2022 annual report for AZ529, Arizona's Education Savings Plan (AZ529 Plan) as required by A.R.S. § 15-1879.

Established in 1999, the AZ529 Plan is Arizona's version of the savings plans permitted under Section 529 of the Internal Revenue Code and designed to encourage individuals and their families to save for future educational expenses in a tax-free manner.

Any person interested in pursuing post-high school training and educational opportunities at accredited institutions across the U.S. including traditional college, vocational and workforce training and apprenticeships, may be designated as a beneficiary of an AZ529 Plan account. Funds from an AZ529 Plan account are tax free when used to pay for qualified educational expenses including tuition and fees, books, computers and room and board. Additionally, in December 2022, Congress made changes to the 529 rules starting in 2024 to allow any unused funds from a 529 to be rolled over into a Roth IRA for the same individual beneficiary. This allows even greater flexibility to save not only for education, but for future retirement.

Since the ASTO assumed responsibility over the AZ529 Plan in October 2020, over 25,939 accounts have been added and assets are up 15.5% to \$1.87 billion as of the date of this report. As of December 2022, the AZ529 Plan had 101,176 accounts and approximately \$1.8 billion in total assets under management.

We're also continuing to reach more underserved and minority communities and families in Arizona with our first-ever AZ529 Future Career Art Contest and the AZ529 Essay Contest. Combined, these contests received over 800 entries from Arizona students. We honored students from district, charter, private, homeschool and tribal schools at an awards ceremony at the State Capitol with winners receiving \$529 towards a new or existing AZ529 Education Savings Plan.

In 2022, we successfully transitioned our advisor sold plan from Ivy Investments to Goldman Sachs Asset Management, L.P. and Ascensus College Savings Recordkeeping Services with a 98% retention rate. Additionally, we saw the first quarterly transition of accounts from College Savings Bank (CSB) to Fidelity Investments as part of CSB's planned exit from the 529 savings plan market.

If you have questions regarding the AZ529 Plan, please contact Jeffrey Ong, AZ529 Plan Administrator, at (602) 542-7880 or [jeffreyo@aztreasury.gov](mailto:jeffreyo@aztreasury.gov).

Sincerely,

The Honorable Kimberly Yee  
Arizona State Treasurer



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## **INTRODUCTION**



The Arizona Family College Savings Program (AFCSP) was established pursuant to Laws 1997, Chapter 171 as the State of Arizona's qualified tuition program under Section 529 of the Internal Revenue Code. The AFCSP was formally launched in 1999 under the Arizona Commission for Postsecondary Education when the Plan first began accepting accounts.

The name of the Arizona Family College Savings Program was changed to AZ529, Arizona's Education Savings Plan (AZ529 Plan) in 2021 to reflect that the plans may be used for vocational school and workforce development in addition to college.

The AZ529 Plan is designed to help families meet the rising costs of post-high school education by offering an easy, flexible and tax-advantaged way to save for a variety of educational options, including traditional college, vocational training and apprenticeships. Laws 2020, Chapter 88 made changes to the way the AZ529 Plan is managed by designating The State Board of Investment as the Plan Trustees and State Treasurer and the Arizona State Treasurer's Office as the Plan Administrator, effective October 1, 2020.

## **Vision, Mission, Guiding Principles**

The vision, mission and guiding principles for the AZ529 Plan have been established by the Arizona State Treasurer's Office, as follows:

**VISION:** To improve the educational opportunities of Arizonans by providing a high quality 529 Plan.

**MISSION:** To educate and assist Arizona families to financially prepare for postsecondary education, including traditional college, vocational training and apprenticeships, by providing quality college savings choices.

### **GUIDING PRINCIPLES:**

- To fulfill the mandate of the Arizona Revised Statutes
- To see that the AZ529 Plan operates according to U.S. federal and Arizona state laws
- To see that the AZ529 Plan is serving the best interests of its current and future investors
- To communicate the AZ 529 Plan opportunity to the public, with emphasis on increasing Plan access among Arizona's economically-disadvantaged, minority and underrepresented student populations



## **PLAN RESPONSIBILITIES**

### **Responsibilities of ASTO**

ASTO is a statewide constitutional office headed by the Arizona State Treasurer (Treasurer) who is elected to a four-year term. The Treasurer is one of five statewide elected officials who make up the State of Arizona's Executive Branch pursuant to Article V, Section 1 of the Arizona Constitution. The mission of Treasurer is to protect taxpayer money as the State of Arizona's Banker, Chief Investment Officer and Financial Services Provider.

ASTO's main responsibility is to administer the AZ529 Plan, to make recommendations to the BOI regarding selection of Plan providers and to review and advise regarding investment, operational and oversight procedures.

ASTO's additional responsibilities include:

- Oversight of the AZ529 Plan Request for Proposal process, including recommendation to the BOI for approval;
- Suggestion of improvements in the Plan;
- Monitoring of Plan compliance; and
- Recruitment and appointment, by the Treasurer, of the AZ529 Plan Advisory Committee (Advisory Committee) to assist ASTO in promoting and raising awareness of the Plan to Arizona residents pursuant to A.R.S. § 41-179.

As of the date of this report, the Treasurer is The Honorable Kimberly Yee.

### **Responsibilities of the BOI**

The establishment of the BOI is mandated by Article X, Section 7 of the Arizona Constitution, and its membership, powers and duties are specified in A.R.S. § 35-311. The BOI is comprised of five members who are as follows:

- The Treasurer as BOI Chair;
- Director of the Arizona Department of Administration or the Director's designee;
- Director of the Arizona Department of Insurance and Financial Institutions or the Director's designee; and
- Two Treasurer-appointed members, one of whom must have verifiable expertise in investment management and one of whom must represent a public entity with current deposits in ASTO's Local Government Investment Pool Program.

As AZ529 Plan Trustee, the BOI is responsible for approving financial institutions to serve as Plan providers that hold and manage AZ529 accounts and assets. The BOI may adopt rules to assist both ASTO and itself in implementing the AZ529 Plan and is permitted to terminate a contract with a financial institution at any time for good cause. In addition to its role as Trustee, the BOI is responsible for:

- Reviewing all ASTO investment activities; and

- Serving as the Trustee of the Arizona Permanent Land Endowment Trust Fund consistent with the requirements of Article X, Section 7 of the Arizona Constitution, the Arizona Endowment Trust Fund established pursuant to A.R.S. § 35-314.03, and any public pension prefunding plan investment accounts established pursuant to A.R.S. § 35-314.04 as added by Laws 2020, Chapter 79.

BOI meetings are held monthly and are open to the public. BOI members are immune from personal liability with respect to all actions that are taken in good faith and within the scope of its authority.

As of the date of this report, the BOI's membership is as follows:

- The Honorable Kimberly Yee, Arizona State Treasurer and BOI Chairwoman
- \*Director Elizabeth Thorson, Arizona Department of Administration
- \*Director Barbara Richardson, Arizona Department of Insurance and Financial Institutions
- Harry Papp, Managing Partner, L. Roy Papp & Associates
- The Honorable Beth Ford, Pima County Treasurer

\*Pending confirmation by the Arizona State Senate

### **Responsibilities of the Advisory Committee**

As outlined in A.R.S. § 41-179, the AZ529 Advisory Committee is comprised of the Treasurer or the Treasurer's Designee as Chair and 12 Treasurer-appointed members who are as follows:

- Two community college district representatives: one from an urban county and one from a rural county;
- One public university representative;
- Two accredited private educational institution representatives: one from an institution offering Associate's, Bachelor's or Higher Degrees and one offering private vocational training;
- One representative of an accredited private school or organization offering instruction to pupils in kindergarten through grade 12 in Arizona;
- One teacher currently providing classroom instruction;
- One representative of a federally-recognized Indian tribe in Arizona;
- One representative of a U.S. Department of Labor-approved apprenticeship program; and
- Three public members, including at least one member representing an Arizona-based nonprofit organization.

The Advisory Committee is required to meet at least quarterly to assist and make recommendations to ASTO regarding promotional and informational activities relating to the AZ529 Plan, including increasing Plan access among economically-disadvantaged, minority and underrepresented student populations as required by A.R.S. § 41-179, Subsection A.

As of the date of this report, the Advisory Committee's membership is as follows:

- The Honorable Kimberly Yee, Arizona State Treasurer and Advisory Committee Chairwoman
- Dr. David Dorè, President of Campuses and Executive Vice Chancellor, *Pima Community College*
- Keith Alexander, Special Assistant to the President for Community and Government Relations, *Eastern Arizona College*
- Dr. James Rund, Senior Vice President for Educational Outreach and Student Services, *Arizona State University*
- Len Munsil, President, *Arizona Christian University*
- David Eaker, Campus President, *The Refrigeration School*
- Karen Mensing, Technology Integration Facilitator/Teacher on Assignment, *Paradise Valley Unified School District*
- The Honorable Shaandiin Parrish, Council Delegate of the Navajo Nation
- Gary Schleuger, Vice President of State Government Affairs and Relations, *University of Phoenix*
- Maria Baier, Vice President of External Affairs, *Great Hearts America*
- Christine Burton, Co-Founder, *Burton Family Foundation*

### **Responsibilities of ASTO Staff**

The roles of the ASTO Staff with respect to the AZ529 Plan include:

- Supporting the BOI in its oversight of the Plan, including Investment Risk Management Committee review of investment performance of Plan providers and organization of the annual provider review process;
- Monitoring the Plan for regulatory compliance;
- Bringing issues of importance or concern to the BOI and Treasurer;
- Acting as state agency liaison through the Request for Proposal process;
- Ensuring Plan manager compliance with contract requirements;
- Relationship management of the Plan providers in the administration of Plan operations and activities;
- Preparing Plan status reports for the BOI as Trustee;
- Reviewing Plan Provider offering materials;
- Coordinating legal counsel evaluation as needed;
- Increasing public awareness of the Plan, including providing necessary staff support to the Advisory Committee; and
- Other administrative support and research as directed by the BOI and Treasurer.

## **PLAN DEVELOPMENTS**

### **Ascensus/Goldman Sachs assumes management of advisor-sold AZ529 Plan**

On June 13, 2022, there were 34,004 funded AZ529 accounts successfully transitioned from Ivy Investments to Ascensus/Goldman Sachs representing total assets of \$648,707,314.71. Nearly 98% of all accounts were retained during the month after the transition period.

This transition to a new service provider began after ASTO received a response from the Macquarie Group, the parent company of Ivy Investments in June 2021, declining to extend its AZ529 program manager contract while expressing its commitment to assisting ASTO with the 24-month transition period provided for in the existing contract.

The BOI issued an RFP for the AZ 529 Advisory Program Manager in the Fall of 2021. On February 28, 2022, the BOI approved a new five-year contract with Ascensus College Savings Recordkeeping Services, LLC to become the program manager and recordkeeper for the advisor-sold AZ529 Plan with Goldman Sachs Asset Management providing investment management and distribution of the advisor sold plan. The contract contains a 2-year extension upon mutual agreement.

The Ascensus/Goldman Sachs investment menu consists of:

- Individual portfolios to provide financial professionals with access to each major asset class and some specialty styles with a mix of active, quantitative and passive individual portfolios to best meet the needs of financial professionals and their clients.
- Target risk portfolios ranging from conservative (20% equities and 80% fixed income) to aggressive (90% equities and 10% fixed income) risk/return profiles including active, quantitative and passive strategies.
- Year of enrollment portfolios based upon time horizon, which are favorably positioned relative to peers, with a progressive glide path to provide a smooth transition for account owners to mitigate market timing risk and offering two-year age bands to best meet designated beneficiaries' demographics.

Ivy Investments had served as an AZ529 program manager since 2001.

### **College Savings Bank transitions direct-sold plan to Fidelity Investments**

On December 1, 2022, the first quarterly transition of CollegeSure Honors Savings Accounts from College Savings Bank (CSB) were transitioned to the approved AZ529, Arizona's Education Savings Plan managed by Fidelity Investments. This first transition included 1,563 total AZ529 Accounts and \$24,768,503.60 in total assets.



CSB will continue servicing all CD products through their respective maturity dates, which extend through July 31, 2037. Upon maturity, these CD products will be converted to Honors Savings Accounts, unless otherwise directed by account owners and transitioned to Fidelity on a quarterly basis on February 28/February 29, May 31, August 31 and November 30 of each year.

As was noted in last year's report, CSB decided to phase out of its 529 program manager businesses in several states, including Arizona. The BOI approved the Fidelity Bank Deposit Portfolio product, which carries FDIC insurance, as the default replacement vehicle for CSB Honors Savings Account assets. Account owners also have the option of: 1) transferring their Honors Savings Account assets to another AZ529 product offered by Fidelity Investments, with or without FDIC coverage; or 2) rolling over their Honors Savings Account assets to another state's 529 plan, including plans offering FDIC-insured products.

After each quarterly transfer, a savings transfer confirmation will be mailed to customers by CSB and Fidelity separately confirming the transfer. CSB has served as an AZ529 program manager since 1999. The current contract was initiated on October 24, 2016, for a five-year term ending October 23, 2021.

## **PLAN MANAGEMENT**

### **A Multi-Provider 529 Plan for Arizona**

The AZ529 Plan was established as a multi-provider 529 Plan, ensuring that those who open AZ529 Plan accounts are given a variety of investment choices to meet their diverse investment styles and risk tolerances as consumers. As such, ASTO contracts with the following financial institutions to offer two distinct consumer product options for the AZ529 Plan:

**Fidelity Investments:** An AZ529 Plan provider since 2005, Fidelity Investments offers both actively managed and index portfolios. Within those portfolio categories, consumers can choose from age-based allocation, static allocation, individual portfolios and most recently the stable value portfolio which replaced the money market portfolio on April 29, 2022. This newest offering is composed of a stable value separately-managed account that may invest in individual securities or actively-managed and/or index Fidelity mutual funds and investment contracts issued by third-party companies or banks.



As of December 30, 2022, Fidelity managed 67,541 AZ529 Plan accounts and \$1.18 billion in Plan assets. As such, it was the largest AZ529 Plan provider with 66.8% of total Plan accounts and 66% of total Plan assets. *See Table 1.*

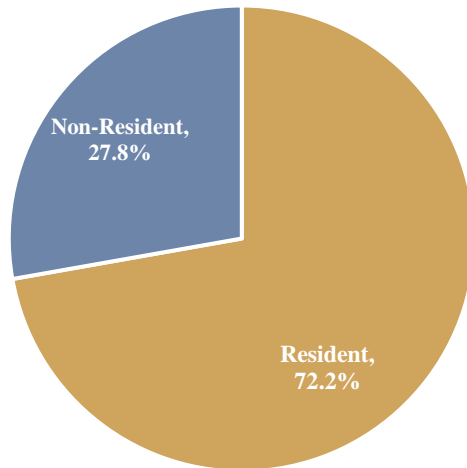


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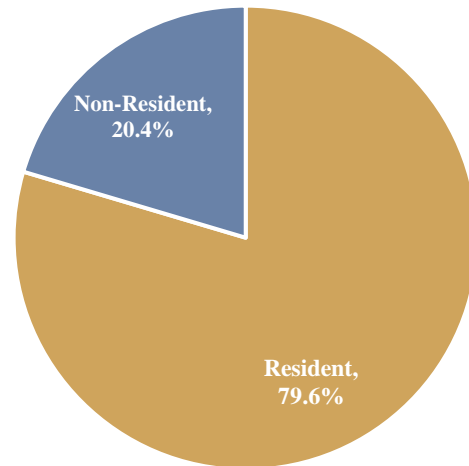
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**Table 1: Fidelity AZ529, Arizona's Education Savings Plan (Direct-Sold Plan)**

### Assets



### Accounts



Assets				Accounts			
Resident	Non-Resident	Total	%Δ YoY	Resident	Non-Resident	Total	%Δ YoY
\$849,323,248	\$326,753,377	\$1,176,076,625	-5.4%	53,760	13,781	67,541	+12.4%

**On June 13, 2022, Ivy Investments transitioned all AZ529 Plan accounts to Goldman Sachs Asset Management, L.P.** to serve as the asset manager and distributor of the advisor-sold plan. Ascensus College Savings Recordkeeping Services, LLC serves as the program manager/recordkeeper for the advisor-sold plan.

The Ascensus/Goldman Sachs investment menu consists of individual portfolios providing a range of asset classes for choice and diversification, target risk portfolios ranging from conservative to aggressive risk/return profiles and year of enrollment portfolios, based upon time horizon, with a progressive glide path to provide a smooth transition for account owners to mitigate market timing risk.

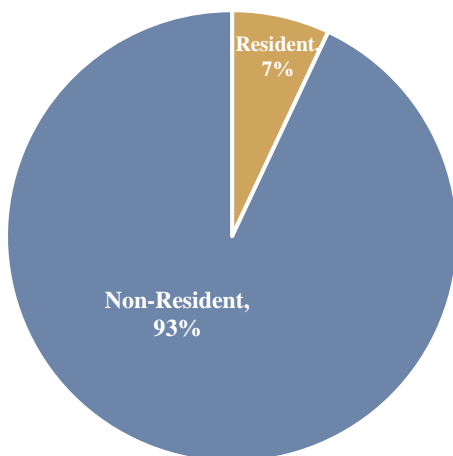
**Goldman Sachs** | Asset Management

As of December 2022, Goldman Sachs 529 managed 32,739 AZ529 Plan accounts and \$595.9 million in Plan assets. As such, it was the second largest AZ529 Plan provider, with 32.4% of total Plan accounts and 33.5% of total Plan assets. *See Table 2.*

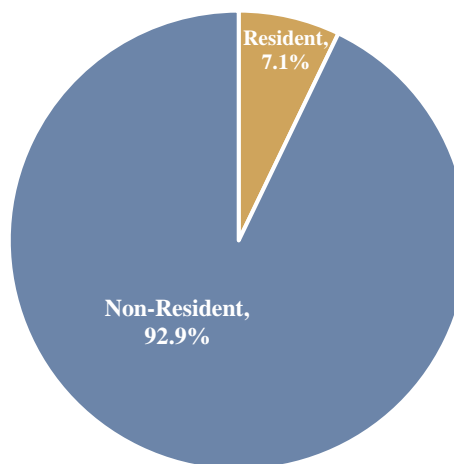


**Table 2: Goldman Sachs 529 Plan (Advisor-Sold Plan)**

**Assets**



**Accounts**



Assets				Accounts			
Resident	Non-Resident	Total	%Δ YoY	Resident	Non-Resident	Total	%Δ YoY
\$41,681,499	\$554,252,528	\$595,934,027	-22.8%	2,339	30,400	32,739	-6.6%

\*Ascensus/Goldman Sachs assumed control of Ivy InvestEd accounts on June 13, 2022.

**College Savings Bank:** An AZ529 Plan provider since 1999, College Savings Bank (CSB), a Division of NexBank SSB, is no longer offering accounts through the AZ529 Plan. CSB is continuing to service existing Certificates of Deposit (CDs) through their respective maturity dates.



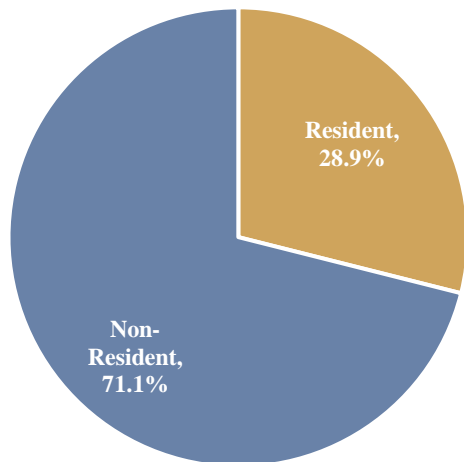
On December 1, 2022, the first quarterly transition occurred of Honors Savings Accounts to AZ529, Arizona's Education Savings Plan managed by Fidelity Investments. This first transition included 1,563 total AZ529 Accounts and \$24,768,503.60 in total assets under management.

As of December 2022, as part of its wind down of its 529 business, CSB managed 896 AZ529 Plan accounts and \$8.6 million in Plan assets. As such, it was the smallest AZ529 Plan provider with 0.9 % of total Plan accounts and 0.5% of total Plan assets. *See Table 3.*

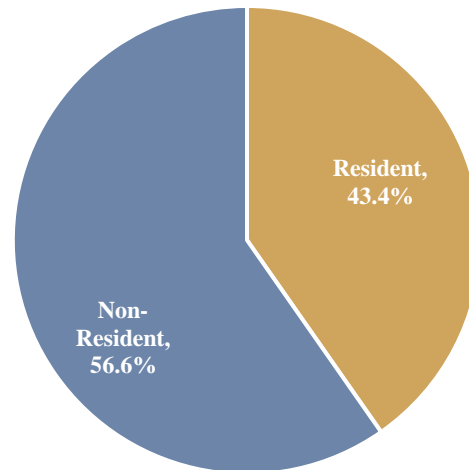


**Table 3: College Savings Bank Plan (Closed Plan)**

**Assets**



**Accounts**



Assets				Accounts			
Resident	Non-Resident	Total	%Δ YoY	Resident	Non-Resident	Total	%Δ YoY
\$2,507,409	\$6,160,336	\$8,667,745	-80.8%	389	507	896	-64.3%

\* 1<sup>st</sup> quarterly transfer of CSB accounts to Fidelity Investments took place on December 1, 2022.

With oversight from ASTO and the BOI, the two current contracted providers managed a total of 101,176 AZ529 Plan accounts with approximately \$1.78 billion in combined Plan assets, as of December 2022. Of these, 56,488 accounts (55.8%) were held by Arizona residents with the remaining 44,688 accounts (44.2%) held by non-residents. *See Table 4.*

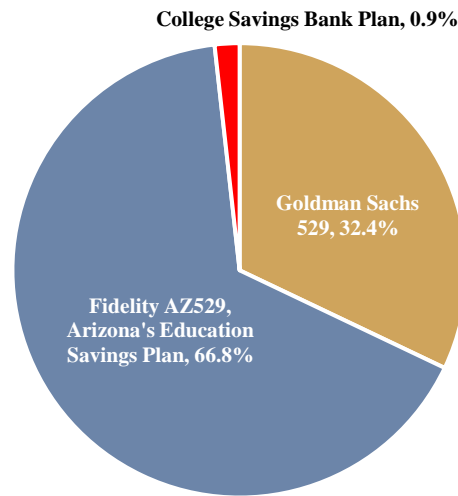
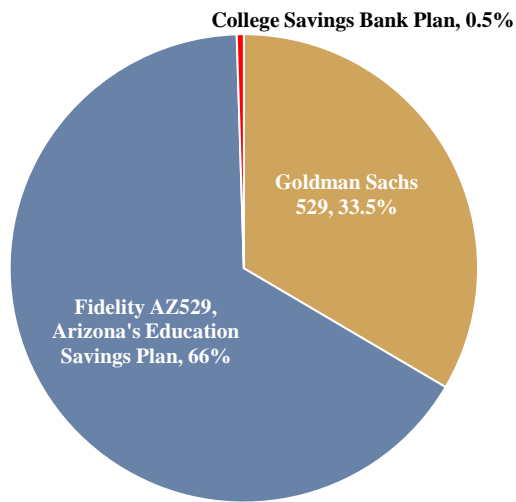
**Table 4: AZ529 Plan Total Assets and Accounts**

**AZ529 Plan Total Assets**

Assets				Accounts			
Resident	Non-Resident	Total	%Δ YoY	Resident	Non-Resident	Total	%Δ YoY
\$893,512,156 (50.2%)	\$887,166,241 (49.8%)	\$1,780,678,397	-13.6%	56,488 (55.8%)	44,688 (44.2%)	101,176	+3.6%



## AZ529 Plan Total Accounts



### Continuing Partnership with Earn to Learn

The AZ529 Plan and Earn to Learn, a Tucson-based 501(c)(3) nonprofit organization, announced the next steps in their continuing partnership by launching the first in the nation matched-savings scholarship model on a 529 plan. Earn to Learn is providing 450 students the opportunity to use AZ529, Arizona's Education Savings Plan, as a platform to house postsecondary Matched Savings accounts of its participants.

Each year, students participating in Earn to Learn will deposit \$500 into an AZ529 account and receive an 8:1 match for a total scholarship of \$4,500 per year. During the application process, Earn to Learn will work with program participants to open accounts with the AZ529 Plan. Students will receive guidance from Earn to Learn in understanding investment choices, monitoring account balances, and prompting the initiation of the movement of funds from 529 accounts to the postsecondary institution the student attends.

The scholarship funds can be used by both traditional and nontraditional students at participating community colleges, universities, and certificate programs.

Established in 2013, Earn to Learn operates America's largest and most successful college matched savings scholarship program for underprivileged students and families. Earn to Learn combines student matched savings with scholarships, financial education and workforce training and college success coaching to help low to-moderate-income and underrepresented students obtain a college education and graduate workforce-ready with little to no student debt. To date, Earn to Learn has provided over 6,000 matched-savings scholarships alongside financial and workforce training and success coaching to Arizona students.





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## **AZ529 Plan Ratings**

Morningstar and Saving for College are the current organizations that rate 529 plans, including the AZ529 Plan.

- The Fidelity AZ529, Arizona's Education Savings Plan, is one of 20 Bronze rated 529 plans by Morningstar. It maintains the same bronze rating the previous two years. Additionally, the AZ529 Plan is rated 4.5 "Caps" out of 5 by Saving for College and is consistently listed as one of the top 10 plans in the nation based upon performance over the last 10 years.
- According to Morningstar, Bronze-rated plans tend to have a mix of Average to Above Average ratings across the People, Process, Parent, and Price Pillars. They can still help investors meet their goals, but the range of outcomes is wider than those of Silver- or Gold-rated rivals.
- The College Savings Bank Plan is not rated by national firms. Unlike traditional 529 investment products, FDIC-insured 529 products, like the CDs and savings accounts that College Savings Bank offers, are generally not rated.

As the Administrator and Trustee, respectively, ASTO and the BOI are committed to continuously improving the AZ529 Plan's standing relative to all 529 Plans across the country. This includes working closely with our providers like Fidelity and Goldman Sachs/Ascensus, as well as our investment consultant for the AZ529 Plan, Capital Cities, LLC, to offer competitive, reliable and cost-effective investment choices to AZ529 accountholders to meet their and their families' future educational needs.

## **Tax Advantages for 529 Plan Participation**

Saving for educational expenses with an AZ529 Plan also means potential savings on your Arizona state taxes.

Laws 2007, Chapter 258 added an Arizona state tax subtraction benefit that is available to Arizona residents who contribute to any of the 529 plans across the nation, not just the AZ529 Plan., This tax subtraction was increased starting September 29, 2021.

Currently, the state of Arizona offers a tax deduction each year of up to \$2,000 *per beneficiary* for individual tax filers and up to \$4,000 *per beneficiary* for married couples filing a joint return (A.R.S. § 43-1022). In previous years, the deduction for 529 Plan contributions was up \$2,000 per individual filer and up to \$4,000 per married couple filing jointly.

Parents can save for their children. Grandparents can save for their grandchildren. Aunts and uncles can save for their nieces and nephews. Friends can save for their friends. You can even save for yourself. Once an AZ529 Plan account is established, anyone can contribute to that account. AZ529 Plan earnings grow tax-free and will have no federal income taxes on withdrawals when used for qualified education expenses. For designated beneficiaries who are Arizona residents, AZ529 Plan funds are exempt from state taxation when used to pay qualified education expenses of the designated beneficiary.



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It is important to note that an income tax subtraction, unlike a tax credit, does not provide a dollar-for-dollar reduction in tax liability. As a result, the benefit of the subtraction to tax filers in terms of actual tax savings is nominal. Line 34 of Arizona Form 140 (Resident Personal Income Tax Form) allows tax filers to indicate any contributions made to 529 plans for the applicable Tax Year.

### **Legislative Developments**

Capitalizing on the work of the AZ529 Plan Advisory Committee, **Laws 2022, Chapter 74 (Senate Bill 1160) sponsored by Senator Vince Leach**, adds one public member to the Committee representing a nonprofit organization based in Arizona and one member representing an accredited private school or organization offering instruction to Arizona K-12 students.

ASTO believes expanding Committee membership provides a greater diversity of viewpoints to determine how best to reach underrepresented and minority communities in Arizona and promote education savings with the AZ529 Plan.

### **COMMUNITY ENGAGEMENT & OUTREACH**

#### **AZ529 Future Career Art Contest**

The first-ever AZ529 Future Career Art Contest was launched in April 2022. All Arizona kindergarten through fifth grade students were asked to draw a picture of their dream job and think about the education they need to get there.



Treasurer Yee visited classrooms to promote the art contest and lead an art activity with students to get them thinking about their future careers. She also talked about the importance of financial literacy and saving, sharing and spending their money wisely.

Over 200 entries were received from students from across Arizona and 12 students were announced as winners during an awards ceremony at the State Capitol with Treasurer Yee. There were two winners per grade level representing district, charter, private, tribal and homeschools from across the state with each receiving \$529 towards a new or existing AZ529 Plan. There was also statewide media coverage in local newspapers and television as winners came from around Arizona.



### **AZ529 Essay Contest**



Continuing the statewide outreach, the AZ529 Essay Contest was announced in August and asked all Arizona 5<sup>th</sup> graders to tell us about their dream jobs.

Students submitted a record 631 essay entries from across Arizona telling us about their dreams to become professional athletes, astronauts, scientists, doctors and veterinarians.

Over \$10,000 was awarded to 20 winners who each received an AZ529 prize worth \$529. Winners represented district, charter, private, tribal and homeschools from all of Arizona's 15 counties.

Because of the essay contest, the AZ529 Plan received statewide media coverage with news media in the Phoenix, Bullhead City and Yuma markets covering the Treasurer's school visits to promote the essay contest and ceremony at the Arizona State Capitol to announce the essay contest winners.







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### **Creighton Family Resource Center**

Treasurer Yee continued to promote the educational benefits of the AZ529 Plan by reaching out to the minority and underrepresented communities to let them know that education savings is for everyone.

At a baby shower hosted by the Creighton Family Resource Center in Phoenix, Treasurer Yee met personally with new and expecting mothers to let them know it's never too early to start saving for their children's education. Families also benefited from the bilingual AZ529 Plan materials that were available in Spanish and Navajo.



### **SciTech Institute**



At the SciTech Institute's STEM and Innovation Summit, Treasurer Yee let parents know that the AZ529 Plan is a great way to support their students' STEM education and future science-related careers.

She also presented a financial literacy lesson and provided tips about saving for the future. Treasurer Yee encouraged all parents and students to think about the benefits of opening an AZ529 Plan to support their educational dreams of college, community college and vocational school and how that unlocks career opportunities for their students' futures.

### **Boys & Girls Club**

At the Boys & Girls Club, Bob Bove Branch in Avondale, Treasurer Yee launched the AZ529 Back to School backpack drive to bring AZ529 branded backpacks and school supplies to children who might not have access to essentials as they headed back to school. She also shared important tips about spending, sharing and saving money while telling parents about the benefits of saving for education today through an AZ529 Plan account.





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## PLAN MARKETING

### Advertising the AZ529 Plan - A Statewide, Multi-Faceted Effort



The ASTO continues to diligently market the Plan to all Arizona residents. As such, television and radio advertisements ran across the state in partnership with the Arizona Broadcasters' Association and their Public Education Program.

During the 6-month campaign in 2022, over 22,000 spots aired on English and Spanish television and radio stations and digital streams across Arizona featuring Treasurer Yee as the spokesperson. On average, the spots reached an estimated 90% of

Arizona's 18+ population. According to the ABA, the campaign returned a 21.1 to 1 return on investment.

Additionally, during the popular holiday music format, radio advertisements ran on KEZ 99.9FM that promoted the perfect gift idea of contributing to an AZ529 Plan.

### AZ529 Marketing Brochures and Educational Outreach

The ASTO is now offering the AZ529 brochure in the Navajo language in addition to English and Spanish. Our Office is currently looking for opportunities to distribute this brochure throughout the Navajo Nation.







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### Continued Marketing Partnership



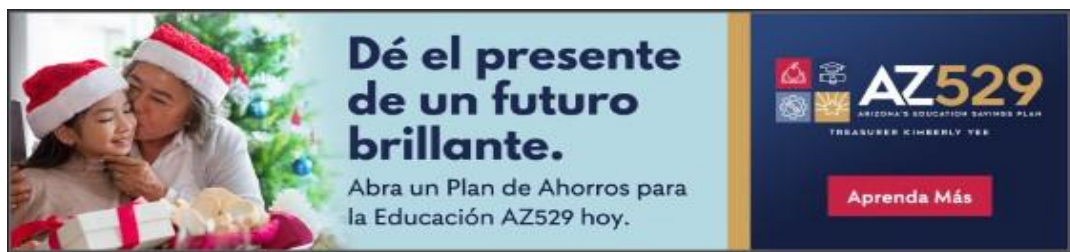
By continuing its partnership in 2022 with Davidson Belluso, Inc., a Phoenix-based, full-service advertising agency, ASTO widely marketed the AZ529 Plan to parents, grandparents and anyone interested in pursuing a post-high school education. Davidson Belluso utilized behavioral targeting measures to advertise paid digital and social media ads to Arizona adults 18 and older including English-speaking, and Spanish-speaking parents and grandparents. Davidson Belluso has consistently reported over-delivery of paid digital and social media ad impressions and engagement.

### **December 2022 Digital Ad – “Give the present of a brighter future.”**

The AZ529 Plan also advertised with Raising Arizona Kids and Arizona PBS in email blasts, website and social media features. By advertising in parenting publications and education oriented websites, the AZ529 Plan reached parents where they typically look for parenting tips and educational resources for their children.



Additionally, the AZ529 Plan continued its outreach to the Spanish audience with print and digital advertising in TV y Mas. The Spanish-speaking audience consistently remained the most engaged audience through our social media advertising including pre-roll, social media and display advertising.





**AZ529**  
ARIZONA'S EDUCATION SAVINGS PLAN  
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## CONCLUSION



Over the last year, ASTO has worked diligently to administer a AZ529 Plan that helps Arizonans realize their educational aspirations through dedicated investments and savings. With the statewide radio campaign, digital and social media ads, new contests, partnerships with key strategic allies and stakeholders, and multiple news media features, ASTO has encouraged Arizonans of all backgrounds to open a AZ529 Plan account for themselves, a child, friend or a loved one.

As more Arizonans receive higher education training from apprenticeships and vocational school to traditional college, the quality of our workforce will increase and allow our state's economy and job market to thrive.

Arizona families deserve the best educational options, from workforce training to traditional college education, and AZ529 helps make those options a reality. We look forward to prudently managing this important Plan in the years to come, ensuring that it is made as accessible as possible and to let all Arizonans know that savings for educational opportunities can be a reality for them.

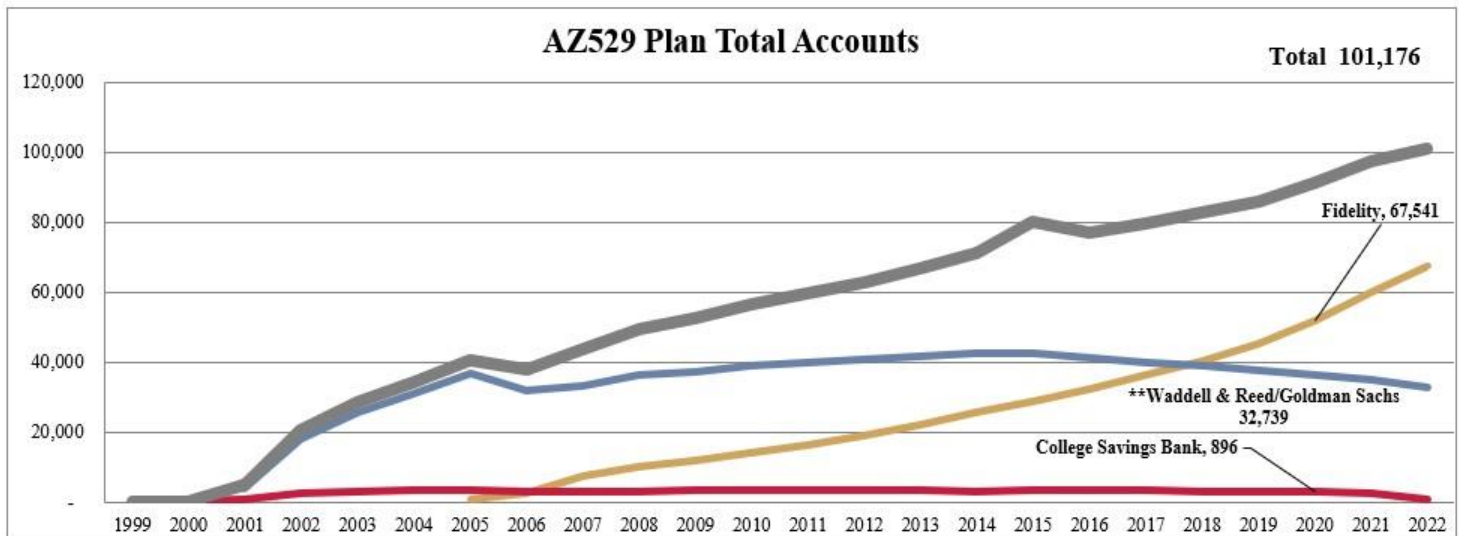


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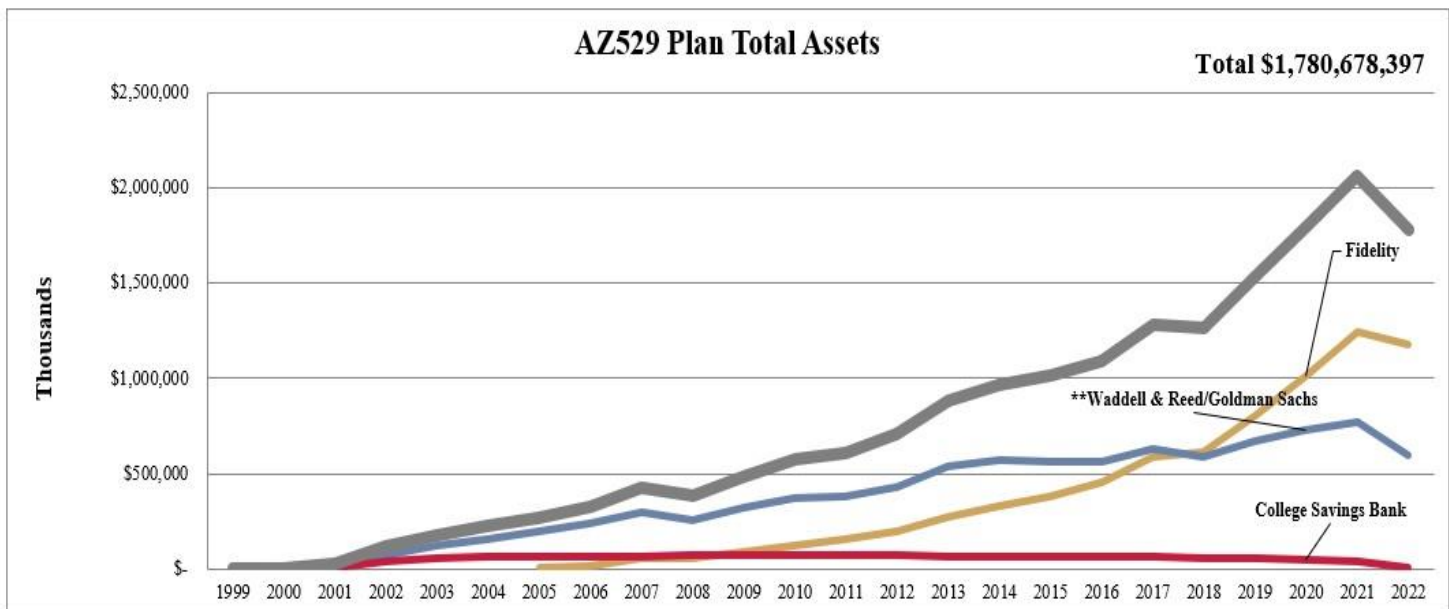
TREASURER KIMBERLY YEE

## APPENDICES

### APPENDIX A: AZ529 Plan Account and Asset Growth Trends (Inception to 12/31/2022)



\*\*Ascensus/Goldman Sachs assumed control of Ivy InvestEd accounts on June 13, 2022.



\*\*Ascensus/Goldman Sachs assumed control of Ivy InvestEd accounts on June 13, 2022.



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## APPENDIX B: AZ529 Plan Account and Asset Growth by Provider by Year (Inception to 12/31/2022)

